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ABSTRACT

Rural and small schools face difficult financial times. Given long-term economic decline and eroding tax bases in rural areas, many rural and small schools may need supplemental funding just to preserve essential programs and services. A list of fundraising strategies provides options that should be feasible whatever the level of local expertise. School fundraising is often a short-term effort. A more stable and predictable source of income can be provided by development funds that target long-term goals, are ongoing in nature, and grow out of institutional planning and development. Grants are another possible source of funding for small and rural school districts, as foundations are trying harder to distribute awards on a more equitable geographic basis. Suggestions are offered for successful grantsmanship. Legal and ethical issues in fundraising include accounting and money-handling procedures, authorizing use of funds, making records open to the public, the use of children in fundraising, and relationships with donors. Six resources are listed for further information on fundraising and related activities. (SV)

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ERIC DIGEST

Clearinghouse on Rural Education and Small Schools March 1993

Developing Supplemental Funding: Initiatives for Rural and Small Schools

by Robert Carlson

Digest EDO-RC-93-4

THIS DIGEST EXPLORES ways that rural and small schools can adopt fundraising ideas that have proven merit. The discussion considers a variety of fundraising activities, the difference between fundraising and development funds, opportunities for developing grants, and key ethical and legal issues. The Digest also provides a list of resources—organizations, people, and publications—keyed to the discussion.

Why undertake fundraising efforts?

In recent history, educators and citizens have looked to tax revenues to provide all the necessities thought to comprise good schooling. Nonetheless, supplemental fundraising has *always* been part of the efforts of rural schools to support a wide range of student activities. In the past, for instance, parents drove buses, cooked meals, and supplied equipment (DeYoung, 1991).

Today, rural and small schools face difficult financial times. Persistent poverty and the comparatively greater per-pupil cost of operating small or isolated schools (Stern, 1992) compound the financial pressures that all schools experience in a time of growing need and diminishing resources. Long-term economic decline—which characterizes many rural areas—erodes tax bases, causes population decline, and increases the burden on remaining taxpayers (and their resistance to the increased burden). The expectation that tax support alone will suffice to provide adequate support may no longer be reasonable. Given such instability, supplemental funding may be needed just to preserve valued programs or services in many rural and small schools.

Fundraising options

Fundraising strategies need to respond to local conditions; they should enable creativity to emerge among those involved. Though by no means comprehensive, the following list of options provides a range of activities from which to draw:

- ad hoc events (e.g., sales, raffles, A-thons) (Bock, 1990; Miller, 1989);
- annual events (e.g., sales or raffles held annually in order to develop tradition and permit improvement over time);
- Las Vegas nights (National Catholic Education Association [NCEA], 1984);
- rental of space and equipment to individuals and groups in the community (NCEA, 1984);
- direct mailing request for contributions (NCEA, 1984);
- surveys that combine requests for feedback on the school with a request for contributions (NCEA, 1984);
- auction of donated equipment, services, and products (NCEA, 1984);
- adopt-a-student or school-family bond programs (see "Resources," below);
- alumni association fundraising work (Harris, 1988);
- school-business partnerships (e.g., Bookout & Cox, 1988; Hutto, 1990);
- school-based entrepreneurial curriculum and businesses (Heartland Center, 1992; Spears, Combs, & Bailey, 1990); and
- lifelong learning programs designed to generate income beyond costs (Galbraith, 1992).

Each of these options requires careful planning and some expertise. However, most are feasible whatever the level of local expertise. Part of the challenge is identifying persons and organizations that can provide technical assistance at little or no cost to the school (Kovas, 1989).

Fundraising and development funds

Often, the press of time and the need for immediate payoff makes fundraising a short-term effort. Development funds provide a more stable and predictable source of income over a longer period.

Development funds target long-term goals, are ongoing in nature, and grow out of institutional planning (NCEA, 1984). Institutional development has often been viewed as unique to colleges and universities, but, according to one study, nearly 1,500 public education funds had been established nationwide by cities, towns, and school districts of varying sizes (Morgan & White, 1990). Local educational funds (LEFs) are sometimes independent of particular schools.

Nesbit (1987) conducted a national survey of LEFs and found that a vast majority (74 percent) had been established since 1980 and served only school *districts*. Almost half raised funds, while others acquired special materials and equipment. Focus was often on monies to supplement school budgets, to retain and show appreciation for teachers, to provide student scholarships, to maintain quality programs, or to assist less affluent areas.

Developing grant proposals

O'Bryan-Garland and Larsen (1984, p. 31) debunk the idea that only "big-name school districts receive grants." They observe that funding entities are trying harder to fund first-time applications in order to distribute awards on a more equitable geographic basis. These authors offer a number of suggestions for increasing the odds of being successful in grant awards:

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- forming a consortium with other schools,
- reviewing successful grant proposals,
- identifying and targeting potential funding sources, and
- writing applications that are direct and succinct.

Major issues in fundraising

Legal and ethical concerns are major issues. Procedures must specify how funds are handled, safeguarded, and accounted for, and how their use is authorized. Standard and well-established accounting procedures should be followed; records should be open to the public, and they should be available at any time to donors or prospective donors. Procedures should also be established to protect the identities of donors who wish to preserve their anonymity.

Ethical issues include the use of children to raise funds. Caution should be taken not to exploit students; participation should be voluntary. It may be very appropriate to involve students in fundraising activities, but guidelines to their role in such endeavors should be specified and approved by boards of education.

Likewise, prospective donors should not feel coerced into making contributions. Fundraising goals should be realistic—within a local community's capacity to participate. Care, moreover, should be taken that the same people are not being "hit" too frequently. This observation suggests that schools should try to coordinate their activities with the fundraising efforts of other groups.

Conclusion

The positive relationships that many rural and small schools have with their communities provide the chance to develop more systematic approaches to raising funds to support activities for which tax revenues alone are insufficient. Board members, faculty, and school staff can draw thoughtfully and skillfully on this goodwill for the benefit of students.

Resources

For more information about...

- **organizing ad hoc and annual events**, Las Vegas nights, rentals, direct mail solicitations (with or without surveys), and auctions, see the *Elementary School Finance Manual*, available from Publication Sales, National Catholic Education Association, 1077 30th St., NW, Suite 100, Washington, DC 20007; *Resources for Development*, also published by the NCEA, covers these and other topics. It is available from the publisher and the ERIC Document Reproduction Service (in paper-copy reproduction from microfiche, ERIC Document Reproduction Service No. ED 269 865).
- **the Adopt-a-Student program**, contact Thomas Bradley, Adopt-A-Student, 1635 West Flower Circle North, Phoenix, AZ 85015, 602/252-5058.
- **the school-family bond program**, contact Robert Varner, James Woodrow Adams Elementary School, PO Box 767, Pound, VA 24279, 703/796-5410.
- **school-based economic enterprises**, contact REAL Enterprises Federation, 658-B Old Lystra Road, Chapel Hill, NC 27514, 919/929-3939.
- **starting a local education fund**, contact the Public Education Fund Network, 600 Grant St., Suite 4444, Pittsburgh, PA 15219, 412/391-3235.
- **finding funding sources**, contact the Foundation Center, which maintains one or more libraries in every state; they provide information about government and corporate funding. Call 1-800/424-9836 (or write the Foundation Center, 79 5th Ave., NY, NY 10003) to identify the nearest Foundation Center library. Grant announcements are published in the *Federal Register*, *Commerce Business Daily*, and in such newsletters as *Federal Grants and Contracts Weekly* and the *Chronicle of Philanthropy*. Other possible sources include your local Chamber of Commerce, your state education agency, or your Regional Educational Laboratory.

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